

Message Text

CONFIDENTIAL

PAGE 01 MONROV 01032 101731Z

ACTION AF-08

INFO OCT-01 ISO-00 EB-08 /017 W

-----101839Z 127282 /40

P 101554Z FEB 77

FM AMEMBASSY MONROVIA

TO SECSTATE WASHDC PRIORITY 3604

C O N F I D E N T I A L MONROVIA 1032

E.O. 11652 GDS

TAGS: EINV, ENRG, LI

SUBJECT: LIBERIA REFINING CO. (LRC)

REF: STATE 20638

1. MESSRS. CHARLES GULLEDGE AND JOHN SCHELLING, PRESIDENT AND CHIEF EXECURIVE OFFICER AND VICE PRESIDENT AND GENERAL COUNSEL RESPECTIVELY OF DYNALECTRON, CALLED AT EMBASSY ON FEB. 7 AND 9. THEY STATED THAT THEY HAD MET SEPARATELY WITH PRESIDENT TOLBERT AND FINANCE MINISTER PHILLIPS. THEY EMPLASIZED IN THEIR MEETINGS WITH GOL OFFICIALS THAT DYNALECTRON IS INTERESTED IN MAINTAINING ITS INVESTMENT IN LRC. IN RESPONSE TO FOREQOING STATEMENT, GULLEDGE REPORTED THAT PRESIDENT REACHED OVER AND SHOOK HIS HANDS AND SAID QTE WE ARE PARTNERS UNQTE. ACCORDING TO GULLEDGE AND SCHELLING, PRESIDENT REAFFIRMED THREE POINTS HE HAD MENTIONED IN THEIR PREVIOUS MEETING WITH HIM IN JULY 1976: (A) LIBERIA MUST HAVE REFINERY, (B) REFINERY MUST BE PROFITABLE, (C) REFINERY MUST PAY DIVIDENDS. PRESIDENT EXPRESSED DISPLEASURE AT SUN'S ULTIMATUM. THEY EXPLAINED DYNALECTRON'S VIEWS ON LRC TO BLTH THE PRESIDENT AND THE FINANCE MINISTER, VIEWS WHICH ARE ALREADY KNOWN TO DEPARTMENT.

2. IN THEIR MEETING WITH PHILLIPS, GULLEDGE STATED THAT FOLLOWING THREE POINTS WERE MADE:

(A) GOL MUST ISSUE GUARANTEES FOR IMPORTATION OF REFINED

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MONROV 01032 101731Z

PRODUCTS NOW AND OF CRUDE WHEN REFINERY IS REPAIRED.

(B) GOL MUST RAISE PRODECT PRICES TO COVER COST OF IMPORTS OF REFINED PRODUCTS.

(C)GOL MUST RESUME USE OF PRICING FORMULA SO THAT \$5 MILLION IN DEPLETED CAPITAL CAN BE STORED.

GULLEDGE SAID HE NOTED SLIGHT IRRITATION ON PARY OF PHILLIPS AT THESE SUGGESTIONS. THEY EMPHASIZED TO HIM THE NECESSITY OF GOL ACTION TO RESOLVE LRC PROBLEM SOON SINCE MORALE AMONG LRC PERSONNEL IS LOW. THEY TOLD HIM WORKERS ARE LOOKING AROUND FOR OTHER JOBS.

3. GULLEDGS AND SCHELLING INFORMED EMBASSY THAT THEY THOUGHT THAT SUN'S STRONG ACTION WAS PREMATURE WHEN THERE IS STILL POSSIBILITY

OF FINDING SOLUTION. AT SAME TIME THEY ACKNOWLEDGED THAT GOL'S REQUEST FOR MORE INFORMATION FROM SUN WAS PLOY TO DELAY NEGOTIATIONS. THEY THOUGHT THAT THESE NEGOTIATIONS WOULD PROBABLE CONTINUE TO THE END OF 1977 BEFORE SUN WOULD BE ABLE DO DISPOSE OF ITS HOLDINGS IN LRC. THEY SAID THAT IF REPLACEMENT FURNACE WHICH SUN HAS PURCHASED CAN BE SHIPPED NO LATER THAN EARLY MARCH, REFINERY COULD BE BACK IN OPERATION IN MAY.

4. GULLEDGE AND SCHELLING INFORMED EMBASSY THAT THEY WILL BE CALLING AT DEPARTMENT TO REPORT ON THEIR VISIT.

HORAN

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENTS, REFINERIES, JOINT VENTURES, MEETINGS
Control Number: n/a
Copy: SINGLE
Sent Date: 10-Feb-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MONROV01032
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770048-0467
Format: TEL
From: MONROVIA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770254/aaaabwan.tel
Line Count: 84
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8b5374c8-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 STATE 20638
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3355242
Secure: OPEN
Status: NATIVE
Subject: LIBERIA REFINING CO. (LRC)
TAGS: EINV, ENRG, LI, DYNALECTRON, (TOLBERT, WILLIAM R), (PHILLIPS, JAMES T), (GULLEDGE, CHARLES), (SCHELLING, JOHN)
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/8b5374c8-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009